

2013-119 AUDIT SCOPE AND OBJECTIVES—Drug Medi-Cal Program

The audit by the California State Auditor (state auditor) will provide independently developed and verified information related to the Drug Medi-Cal Treatment (Drug Medi-Cal) program and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Identify the roles and responsibilities of the appropriate state and county level entities overseeing outpatient drug-free treatment clinics and determine whether there is effective coordination between these entities.
3. Determine whether the policies, processes, and practices used to approve eligible outpatient drug-free treatment providers are appropriate and effective.
4. For a period of the most recent five fiscal years, to the extent possible, identify the extent of fraudulent activity related to outpatient drug-free treatment centers funded through the Drug Medi-Cal program in Los Angeles County and two other counties chosen by the state auditor, and for a selection of transactions, determine the following:
 - (a) The fiscal impact of any illegal or inappropriate activity.
 - (b) The extent and timeliness of any corrective action taken.
 - (c) The reasons why corrective actions may not have been taken in instances where there were none.
5. Determine whether the number of compliance regulators and investigators is reasonably sufficient to effectively address the occurrence of fraudulent activity.
6. Review and assess any other issues that are significant to the administration of the Drug Medi-Cal program and to the extent possible, make recommendations of statutory or regulatory changes that may help further prevent fraud in the program.